

701—34.17(321) Vehicles purchased outside of Iowa.**34.17(1) *Vehicles purchased with no intent for use in Iowa.***

a. Vehicles that are purchased by a nonresident for use in a location other than Iowa are not subject to the fee for new registration upon move-in to Iowa. The determination of intention of use in Iowa is a factual determination. The county treasurer should consider any appropriate factors including, but not limited to, the following:

(1) Whether the vehicle was owned by the owner for a significant time prior to relocation to Iowa. A longer period of ownership while in another location may be indicative of intent of use in the other location. Conversely, if the vehicle was purchased near the time of relocation to Iowa, this might suggest intent of use in Iowa.

(2) Whether the vehicle was registered in another location.

(3) Whether a substantial number of miles were driven in the vehicle in another location since the owner purchased the vehicle.

b. Vehicles purchased in countries other than the United States of America are not eligible for this exemption.

EXAMPLE: Person A, a resident of Moline, Illinois, purchased a vehicle from a dealership in Chicago, Illinois, one week before Person A moved to Davenport, Iowa. The vehicle was registered in Illinois. Person A was not aware at the time of purchase that Person A's employer would transfer Person A to Iowa. Person A's intent was not to use the vehicle in Iowa; therefore, Iowa's fee for new registration is not due.

34.17(2) *Vehicles purchased with intent of use in Iowa.* Credit may be allowed for a fee for new registration paid to another state or country. For the credit to apply, the owner must show proof that the owner was legally required to, and did in fact, pay a fee for new registration, a sales/use tax, or an occupational tax to another state or country for the vehicle being registered in Iowa. Evidence of the payment may include, but is not limited to, purchase records, canceled checks, or invoices.

EXAMPLE A: Person L is an Iowa resident. While in Nevada, Person L purchased a new camper for \$20,000. Nevada did not require Person L to pay a state fee for new registration or a state sales, use, or occupational tax. Person L brought the camper back to Iowa. The camper requires an Iowa title and registration. Since no state fee for new registration or state sales, use, or occupational tax was paid to the state of Nevada, Iowa's fee for new registration is due on the purchase price of \$20,000.

EXAMPLE B: Person Q is an Iowa resident and spends the winter months in Florida. Person Q decides to purchase a new vehicle in Florida for \$35,000. Person Q is required to pay 5 percent Florida state sales tax. Person Q chooses not to title or register the vehicle in Florida. After spending the winter months in Florida, Person Q returns to Iowa and brings the new vehicle. Since Person Q had to pay a 5 percent Florida state sales tax, Person C receives a credit for that amount against Iowa's fee for new registration.

EXAMPLE C: Iowa resident Person W purchases a vehicle for \$25,000 while in Arizona. Person W was required to pay an Arizona state sales tax of 2 percent and a county tax of 1 percent. Person W returns to Iowa with the vehicle. The bill of sale shows a breakdown as follows:

Purchase Price.....	\$25,000
Arizona State Sales Tax.....	\$500
Arizona County Tax.....	\$250
Total Amount Due.....	\$25,750

When Person W titles and registers the vehicle in Iowa, the 5 percent Iowa fee for new registration would be \$1,250. Person W receives credit only for the Arizona state sales tax of \$500 but not the county sales tax. Iowa fee for new registration is as follows:

Iowa Fee for New Registration.....	\$1,250
Less Arizona State Sales Tax.....	\$500
Iowa Fee for New Registration Due.....	\$750

EXAMPLE D: Iowa resident Person Z purchases an \$80,000 vehicle in California and is required to pay a 9 percent California state sales tax of \$7,200. Person Z returns to Iowa with the vehicle. The bill of sale shows:

Purchase Price.....	\$80,000
California State Sales Tax.....	\$7,200
Total Amount Due.....	\$87,200

When Person Z titles and registers the vehicle in Iowa, the 5 percent Iowa fee for new registration would be \$4,000. Since Person Z paid a California state sales tax of \$7,200, which was more than the Iowa fee for new registration, the Iowa fee for new registration is not due.

This rule is intended to implement Iowa Code section 321.105A as amended by 2021 Iowa Acts, Senate File 366.

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